

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RN-2014-0001
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**ORDER APPROVING CUSTOMER NOTICE, WITH MODIFICATIONS, AND
SCHEDULING CONSUMER COMMENT HEARINGS**

(Issued March 13, 2014)

On February 14, 2014, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a request for approval of a proposed rate notification pursuant to 199 IAC 26.5(1)"d"(1), which requires that all nonstandard notices be approved by the Board. IPL is preparing to file an application for increased electric rates pursuant to Iowa Code chapter 476.

IPL proposed to use five different customer notices, with the notices segmented by customer class. IPL's five customer classes are residential, general service, large general service, bulk, and municipal street lighting.

IPL requested that it be allowed to base its calculations on the rate notice form using the arithmetic mean for customer's electricity usage in each class to show the typical bill impact, rather than using averages as required by 199 IAC 26.5(1)"c"(3). IPL pointed out it used this method in two prior electric rate case notices. Subrule 26.5(1)"c"(3) provides that averages used in the standard form should be median averages.

IPL is not asking for interim or temporary rates in this proceeding. The notice will contain information about consumer comment hearings. IPL also proposed to include a letter from IPL's president providing further information about the pending rate filing.

On February 25, 2014, the Large Energy Group (LEG) filed an objection to IPL's proposed rate notice. LEG argued that IPL is in fact proposing temporary or interim rates because of increases to IPL's energy adjustment clause (EAC) resulting from a new purchase power contract that IPL entered into to purchase most of the output from the Duane Arnold Energy Center (DAEC) nuclear plant; the new contract replaced a prior contract for DAEC output and commenced on February 22, 2014. LEG said that because there are currently DAEC costs in base rates, the new contract results in double counting and constitutes an increase in rates of up to \$12,000,000 per month beginning at the inception of the new DAEC contract. Because of the EAC increase, LEG maintained that IPL's customer notice should reference these increased costs as a temporary rate increase that is subject to refund just as if IPL had requested a normal temporary rate increase.

On March 4, 2014, IPL filed a reply to LEG's objection. IPL argued that the Board's rules on temporary rates exclude cost increases to the EAC and that the rate notification rules apply only to a proposed increase in base rates.

IPL's proposed customer notice states that no temporary rate information is included because IPL is not requesting a temporary rate increase. LEG's objections are similar to ones it raised previously in Docket No. RPU-2014-0001 where, among other things, LEG argued that a rate notice was required prior to IPL's

February 22, 2014, EAC increase. In an order issued February 14, 2014, the Board said that an increase in EAC charges does not trigger a requirement for customer notice pursuant to Iowa Code § 476.6(8) and 199 IAC 20.9. The Board will again deny LEG's objection here.

In reviewing IPL's proposed notice, the Board has determined that some minor modifications are necessary to clarify the notice. The following modifications to the notice will be required:

1. The title of the notices is to be changed from "NOTICE OF PROPOSED ELECTRIC RATE CHANGE" to "NOTICE OF PROPOSED ELECTRIC RATE INCREASE."

2. The heading that reads "Alliant Energy rate case proposal" is to be changed to read "Alliant Energy rate increase proposal", and all references of "rate case proposal" are to be modified to read "rate increase proposal."

3. IPL is to remove the effective MONTH DAY language in the first paragraph under the heading, "Alliant Energy rate case proposal" and insert language consistent with the Board's ten-month ruling deadline.

4. Under the table for proposed final change in electric rates, IPL is to add spacing after the sentence referring to lighting customers and add a new heading in bold that reads **Transmission Cost Rider**.

5. The statement regarding the Board's review of the transmission rider: "As is currently the case, future increases or decreases in transmission charges would be included on customers' bill with notice and would not be reviewed by the IUB through the normal rate case process" is to be changed to "As is currently the case, future increases or decreases in transmission charges would be included on customers' bill with notice and would be reviewed by the IUB periodically."

6. At the end of the transmission cost rider information paragraph, IPL is to include its web site address for customers to find specific information about the transmission cost rider costs.

7. Under the heading that reads, "The Rate Case process," IPL is to insert spacing and add a bold headline that reads **Customer Rights**.

8. Under the Customer Rights heading, IPL is to insert language consistent with 26.5(1)"c" as follows:

You have the right to file a written objection to this proposed increase with the Board and to request a public hearing. Written objections or requests can be mailed to: Iowa Utilities Board, 1375 E. Court Avenue, Room 69, Des Moines, Iowa 50319-0069, emailed to: customer@iub.iowa.gov, or submitted online at: iub.iowa.gov. The Board should be provided with any facts that would assist it in determining the justness and reasonableness of this requested increase. This information will be available to the Consumer Advocate, who represents the public interest in rate cases before the Board.

9. Under the customer comment meeting information, IPL is to insert spacing and add a bold heading reading **Understanding your rate**.

With these modifications, the Board will approve IPL's proposed customer notice, including the scheduling of the consumer comment hearings. IPL's notice is consistent with prior notices. The inclusion of information about consumer comment hearings is noteworthy because it will provide all customers notice of the hearings with their rate notification. In the past, when these hearings were not set until after the rate case filing, customers had to rely largely on media coverage to obtain information about the time, date, and location of the hearings. This proposal will provide another method for customers to learn of these proceedings.

Pursuant to 199 IAC 26.9, the Board will schedule eight consumer comment hearings throughout IPL's service territory to provide an opportunity for IPL's customers to express their views regarding the upcoming rate case, as well as the general quality of service provided by IPL. However, persons with specific service

complaints must follow the complaint procedure prescribed in 199 IAC 6.2. Individual service complaints cannot be addressed at the consumer comment hearings.

IT IS THEREFORE ORDERED:

1. The proposed rate case notice form filed by Interstate Power and Light Company on February 14, 2014, is approved, as modified in the body of this order.
2. The objection to IPL's proposed rate notification filed by the Large Energy Group on February 25, 2014, is denied.
3. Consumer comment hearings shall be held at the following locations for the purpose of receiving public comments from the general public concerning the proposed rate increase.
 - a. Monday, June 16, 2014, beginning at 5:30 p.m., at the Muse-Norris Conference Center, Room 180D, North Iowa Area Community College (NIACC), 500 College Drive, Mason City.
 - b. Tuesday, June 17, 2014, beginning at 5:30 p.m., at the Peosta Community Centre, 7896 Burds Road, Peosta.
 - c. Wednesday, June 18, 2014, beginning at 5:30 p.m., at Clarke High School Auditorium, 800 North Jackson, Osceola.
 - d. Thursday, June 19, 2014, beginning at 5:30 p.m., at the South Room, Gates Memorial Hall, 825 15th Street, Nevada.
 - e. Monday, June 23, 2014, beginning at 5:30 p.m., at McAleer Hall, Holy Family Parish, 415 11th Street, Fort Madison.
 - f. Tuesday, June 24, 2014, beginning at 5:30 p.m., at Ottumwa High School Auditorium, 501 East Second Street, Ottumwa.

g. Wednesday, June 25, 2014, beginning at 5:30 p.m., in the Community Building, Dickinson County Fairgrounds, 1602 15th Street, Spirit Lake.

h. Thursday, June 26, 2014, beginning at 5:30 p.m., at the Kirkwood Training and Outreach Service Center (KTOS), 3375 Armar Drive, Marion.

4. Persons with disabilities requiring assistive services or devices to observe or participate in a consumer comment hearing should contact the Utilities Board at (515) 725-7331 in advance of the scheduled date to request that appropriate arrangements be made.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Sheila K. Tipton

Dated at Des Moines, Iowa, this 13th day of March 2014.